GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:4307
ANSWERED ON:18.12.2001
SLASHING SUBSIDY OF FERTILIZER UNITS
RAM PRASAD SINGH

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that Government have slashed the annual payment of subsidy to some of the defaulting fertilizer firms in the country; and

(b) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI S. B. MOOKHERJEE)

(a)&(b): In order to contain the outflow of subsidy and fix the consumption norms at the realistic level, Government has revised the consumption norms of the urea units on interim basis w.e.f 1.4.2000. These consumption norms are based on the actual levels achieved in 1999-2000, or the existing level, whichever is lower. The retention prices have also been revised correspondingly, ad interim. This revision has led to reduction in retention prices in respect of some units. Such revision is, however, only an interim arrangement and is subject to the decision of the Government on the policy parameters for VII and VIII pricing periods which will include consumption norms also, and will be effective from 1.7.1997.